



## BBY Claims Update

### September 2016

This Claims Update provides current information about claims on the National Guarantee Fund (**NGF**) in relation to the insolvency of BBY Ltd (In Liquidation) (Receivers and Managers Appointed) (**BBY**).

#### Types of claims

As explained in our previous Claims Updates, SEGC has received two main types of claims:

1. Claims relating to property (such as shares or money) entrusted to BBY in connection with its securities business before it went into administration. These are called "**Property Entrusted Claims**"; and
2. Claims relating to non-completion of sales and purchases of securities entered into by BBY on behalf of its clients. These are called "**Contract Guarantee Claims**".

Progress has been made in relation to each of these claims, but particularly in relation to Contract Guarantee Claims. Further information is set out below.

#### Property Entrusted Claims

As described in previous updates, SEGC is restricted by law to paying out a maximum amount of \$11.4 million in relation to all BBY-related Property Entrusted Claims. If the total amount of claims exceeds this amount, then SEGC will need to pro-rate all allowable claims.

Generally, SEGC considers the NGF to be a compensation scheme of last resort. That means, in the case of BBY, SEGC will recognise an eligible claim for the difference between the amount that a claimant had entrusted to BBY and the amount that it is ultimately paid back from the client money accounts maintained by BBY (**shortfall amount**).

As previously described, the Liquidators have applied to the Supreme Court of New South Wales for directions on matters which could have a significant effect on the final shortfall amounts.

SEGC has been monitoring these court proceedings closely. The hearing of the Liquidators' application is scheduled to commence on 31 January 2017, after which SEGC will need to wait until there is a judgment from the Court and then the expiry of any appeals period before it can allow and pay this type of claim.

In addition, to ensure equal treatment of all claimants, SEGC will wait until all clients of BBY with claims of this kind have had the opportunity to submit them before proceeding to allow and pay any claims. SEGC had set a cut-off date of 11 June 2016 for lodgement of Property Entrusted Claims, however, for a number of reasons, including the delay in the Liquidators' proceedings, it became apparent that this date was no longer appropriate. At the appropriate time SEGC will set another cut-off date and will wait until the expiry of that cut-off date before allowing and paying valid Property Entrusted claims.

**Contract Guarantee Claims**

SEGC has been determining Contract Guarantee Claims, and making payments in respect of those claims that have been allowed.

If we require any additional information from you to process your Contract Guarantee Claim, we will let you know as soon as possible. Once we have all the information necessary to properly assess your claim, we will determine it as quickly as possible.

**Further information**

If you have any queries about this Claims Update or your specific claim, please email [segc@asx.com.au](mailto:segc@asx.com.au) or call Gabby Hart on (02) 9227 0424.